



Operating Analysis

Labor Cost:

The single largest operating cost in an on-premises laundry is labor. It is generally 50% of the operating cost of the entire laundry. Therefore, equipment selection and floor plan layout are critical in controlling the laundry's labor cost.

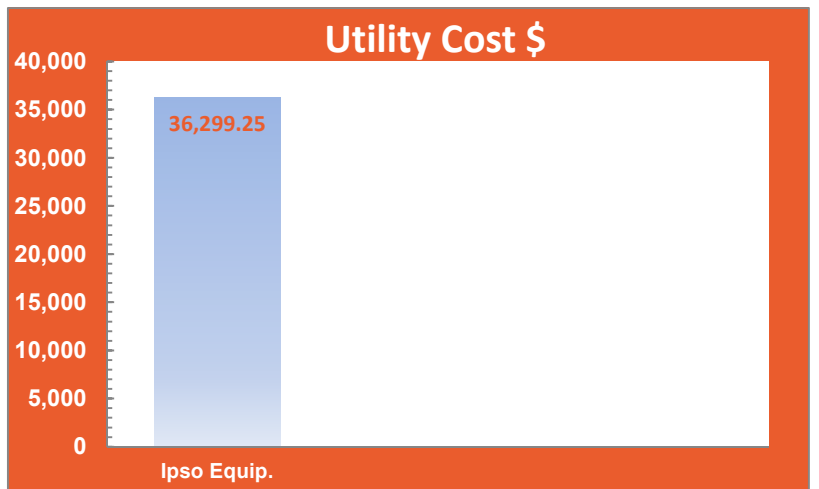
Suggestions for controlling labor costs include:

- Super high-speed extraction washers that reduce the amount of water to be removed in the dryer, thereby reducing drying time.
- Use washer and dryer combinations with similar operating hours.
- Select washer and dryer controls that record machine activities to assist management as the eyes and ears of the laundry.
- Have sufficient inventory levels of linens on hand.



Utility Cost:

Utility costs are 8-10% of the entire cost of operating a laundry. Natural gas for heating the dryers and the hot water for the washers is the largest utility expense and most controllable. Electricity is the smallest utility expense and is a negligible cost. Water costs are small relative to gas, but you can still have some control.



Equipment Investment:

Here are several thoughts of how to select the right equipment for

- Invest in labor saving features.
- Invest in programmable controls providing management vital information.
- Invest in utility saving features.
- Look for features that shorten cycle times.
- Equipment price is less than 10% of total laundry cost.
- Price is a one-time occurrence, costs last for the life-span of the equipment.

